

**The City of San Diego**  
**Redevelopment Agency**



# Annual Report



Fiscal Year 1999



# Annual Report

Fiscal Year 1999

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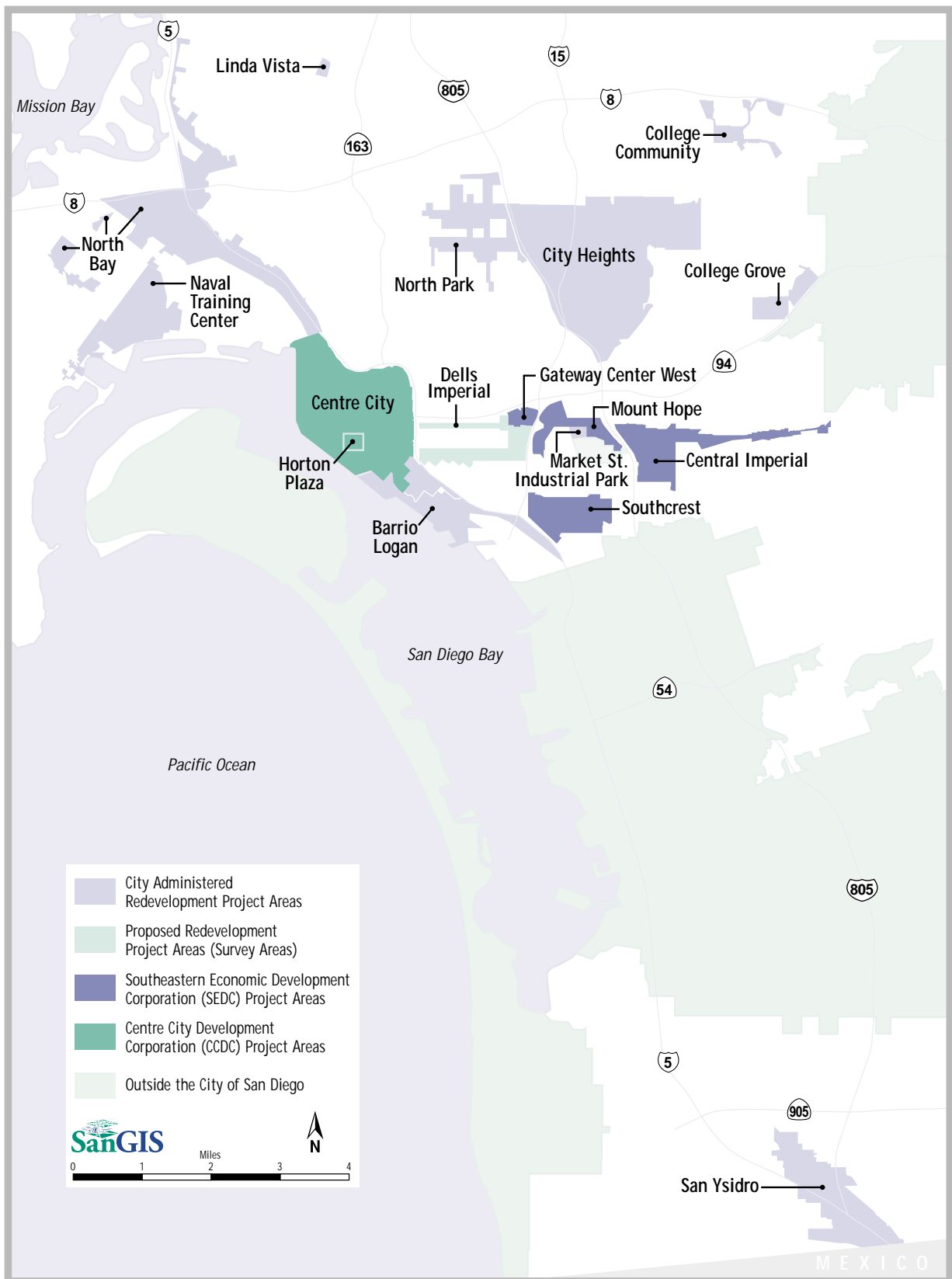


Prepared by  
the City of San Diego Economic Development and Community Services Department

This information is available in alternative formats upon request.  
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# Redevelopment Project Areas





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# I

## ntroduction

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*The fiscal year (FY) 1999 annual report for the Redevelopment Agency of the City of San Diego has been prepared to meet the reporting requirements of California Redevelopment Law and to provide an overview of activity in the Redevelopment Agency's 16 project areas in the past year.*

### Highlights of FY 1999 Activities

- Negotiations with Land Grant Development commenced for construction of a neighborhood retail center, the Mercado del Barrio Commercial Project.
- The Marina Request for Proposals generated over 1,150 plans for residential units.
- Approval of Disposition and Development Agreement for Lot 7 in the Gateway Center West project area, a prime site facing Market Street at the exit from Interstate 15.
- Phase two of the Urban Village was completed, providing the community with a community park and recreation center, 28,000 square foot community center housing a 15,000 square foot branch library, a community service center and Head Start facility.
- The North Embarcadero Visionary Plan was fashioned by five public agencies.
- SEDC entered into an Owner Participation Agreement with the Price Company for the development of a new 135,000 square-foot Costco in the Gateway Center East facility.
- The first units of the Little Italy Neighborhood Development (LIND) block were completed and a contractor selected for India Street improvements.
- Negotiations began for the Regional Transportation Center in City Heights, a state of the art facility to demonstrate as well as sell and repair alternative fuel vehicles.
- The rehabilitation of structures in the Gaslamp Quarter continued to add residential, office and retail to the historic district, and new street lights improved the view.
- Two pieces of art were commissioned for the King Promenade.
- Construction of the 66-unit Piedra Del Sol market-rate student housing project

neared completion in the College Community project area.

- A development agreement was reached for the rehabilitation of the historic El Cortez Hotel, paving the way for additional residential developments around it.
- Demolition was completed and construction begun on the College Grove Shopping Center, transforming it into a big-box, value-oriented retail center with Wal-Mart, Sam's Club, Staples and Home Base.
- The Santa Fe Depot Forecourt project was completed, greatly enhancing the entrance to the historic train station.
- The City Council approved the Naval Training Center (NTC) Reuse Plan and certified the Navy's Environmental Impact Report/Environmental Impact Statement for the reuse of NTC.
- The Agency entered into negotiations with The McMillin Companies to be the master developer for the redevelopment of NTC.
- Implementation of the \$150 million plan

produced to revitalize the Centre City Core began with construction of the Courtyard by Marriott Hotel and the approval of agreements for Music Village and the three-building On-Broadway development that will include public parking.

- The North Park Gateway Project, a public art and landscaping project on the edge of Interstate 805 at University Avenue, was completed providing an aesthetic entryway to the North Park community.
- A catalyst for improvements in East Village was realized when the voters approved the Memorandum of Understanding for the Ballpark District.
- San Diego and Tijuana officials applied for a Presidential Permit for the International Gateway to the Americas plan from the Binational Group for Bridges and Borders.

# R edev elopment Agency



In 1958, the San Diego City Council established the Redevelopment Agency (Agency) in order to alleviate conditions of blight in older, urban areas of the City. Through

the authority conferred by the California Community Redevelopment Law (Health and Safety Code §33000, et. seq.), the Agency is able to use special legal and financial mechanisms to eliminate blight and improve economic and physical conditions in designated areas of the City. Although the Agency is a separate, legal entity, the city council serves as the legislative body of the Agency. Staff of the City's Economic Development and Community Services Department serve as officers and staff to the Agency.

Two public nonprofit corporations, Centre City Development Corporation and Southeastern Economic Development Corporation, as well as the Redevelopment Division of the City's Economic Development and Community Services Department carry out redevelopment activities in the Agency's 16 redevelopment project areas and one study area. These areas encompass more than 8,000 acres.



The Redevelopment Division has a staff of 14 to implement 10 redevelopment project areas totaling over 5,600 acres.

The division also performs general administration for the Redevelopment Agency, coordinating budget and reporting requirements and maintaining the Agency's meeting docket and official records. The project areas managed by the division include Barrio Logan, City Heights, College Community, College Grove, Linda Vista, Market Street Industrial Park, Naval Training Center, North Bay, North Park, and San Ysidro.



Redevelopment within downtown's 1,490 acres has been administered since 1975 by the Centre City Development Corporation on behalf of the City of San Diego. CCDC has a seven-member board of directors, appointed by the mayor and city council, and a 39-member staff to implement and plan programs in two redevelopment projects: Centre City and Horton Plaza.



In 1981, the City Council established the Southeastern Economic Development Corporation (SEDC) to carry out redevelopment activities in areas south and east of downtown San Diego. SEDC has a nine-member board of directors and 15 staff members to implement four redevelopment project areas encompassing more than 940 acres. The project areas are Central Imperial, Gateway Center West, Mount Hope, and Southcrest. SEDC also administers plan adoption activities for the Dells Imperial Study Area.



# Low and Moderate Income Housing California

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*Redevelopment Law requires 20 percent of tax increment revenue to be set aside to provide housing for low and moderate income households. Where possible, the Agency leverages its funds by working in partnership with nonprofit housing organizations, private developers and other governmental agencies. More than 1,950 dwelling units have been acquired, constructed, rehabilitated, or have been made available to first-time home buyers by the Redevelopment Agency.*

*In fiscal year (FY) 1999, the Agency had expenditures of \$6.0 million for low and moderate income housing (excluding administration); 117 Agency-assisted units were built or rehabilitated by the end of the fiscal year, and seven households received ownership assistance.*

## Housing Projects Completed in FY 1999

- Southcrest Park Estates: Thirty-three single family units for low to moderate income families are now completely sold out.
- Jarrett Heights: Twenty-three single-family for sale units for low-moderate income families. The project is sold out.
- Boston Village: Construction of 12 single-family homes built in the newly revitalized Southcrest neighborhood was completed. Nine of the homes were sold, and three are currently in escrow.
- Evergreen Village (Phase I): Sixteen of 56 single-family homes in the Central Imperial Project Area have been completed and sold.
- Little Italy Neighborhood Developers (LIND): Multiple developments have been approved on one block within the Little Italy Sub-Area of the Centre City Redevelopment Project. To date, 16 market rate for-sale townhomes, 28 rental loft units and 37 apartments have been completed. A total of 38 moderate and low income units are included.
- Village Place Apartments: Added 46 low income units to the East Village Sub-Area of the Centre City Redevelopment Project.
- Nine silent second mortgage loans have been provided to eligible low-income families through the Linda Vista First Time



Home Buyer program administered for the Agency by the Housing Commission.

- **Mount Hope Rehabilitation Program:** Administered by the San Diego Housing Commission in the Mount Hope Project Area, provided 66 home owners with rehabilitation loans, grants or rebates. The Rehabilitation Program is funded through the Low & Moderate Income Housing funds of the Mount Hope and Market Street Industrial Park project areas.

### Housing projects under development or construction

- **Evergreen Village (Phase II):** Remaining 40 of 56 single-family homes currently under construction.
- **Village at Euclid:** Located in the Central Imperial Project Area, this is a project of 23 single-family homes for low to moderate income households.
- **Southcrest Park Estates:** Second phase of a residential development in the 252

Corridor project will consist of 62 single-family homes priced to accommodate low to moderate income families.

- **CCBA Senior Housing:** Construction of this four-story, 45-unit apartment building nears completion, providing low-income units developed by the Chinese Consolidated Benevolent Association and MICH Corporation within the Marina District of the Centre City Redevelopment Project.
- **900 F Street:** Construction is planned to begin in August 1999 on 115 apartments in the East Village Sub-Area of the Centre City Redevelopment Project. Eighty-six of the units being developed by ManSerMar and Protea 900 F Street, LLC will be for moderate income levels.
- **Phase Two of the Linda Vista First Time Home Buyer Program** which will provide silent second mortgages of up to \$20,000 to eligible buyers in the Linda Vista area.

## Housing

	Very Low*	Low*	Moderate*	Total
<b>Fiscal Year 1999 Housing Activity</b>				
Households displaced or moved	28	1	1	30
Number of dwelling units destroyed or removed	28	1	1	30
Estimated households to be displaced in FY 2000	0	137	27	164
<b>Completed Agency-Assisted Dwelling Units Restricted by Ordinance or Agreement</b>				
Constructed	8	6	22	36
Rehabilitated	66	11	4	81
First time home buyers	0	1	11	12
Affordability covenants acquired	8	5	5	18
<b>Completed Agency-Assisted Dwelling Units Not Restricted by Ordinance or Agreement</b>				
Constructed	0	0	0	0
Rehabilitated	0	0	0	0
First time home buyers	0	0	0	0
<b>Cumulative Total Agency-Assisted Dwelling Units</b>				
Constructed	687	273	426	1,386
Rehabilitated	342	54	76	472
First time home buyers	32	29	11	72
Affordability covenants acquired	20	5	5	30

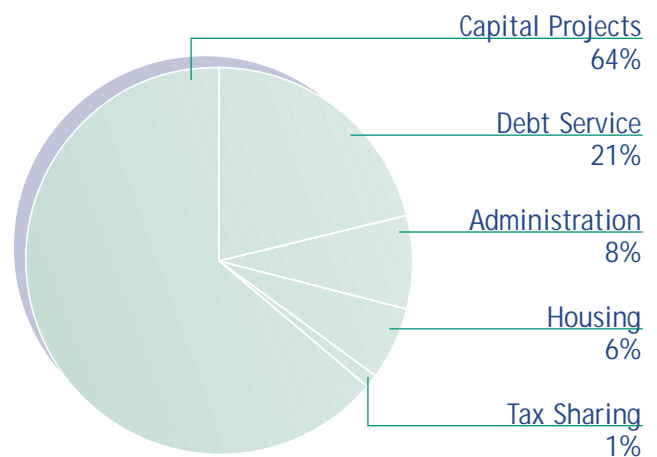
\*Very Low: Families with less than 50% of median income. Low: Families with less than 80% of median income. Moderate: Families with 80%-120% of median income.

## FY 1999 Financials\*

Low and Moderate Income Housing Funds	
Beginning Balance	\$19,697,027
Revenue	6,108,087
Interest Earned	1,138,063
Less Expenditures:	
Administration	702,784
Debt Service	169,731
Housing Projects	6,011,591
Cash Balance	20,059,071
Less Amount Encumbered for Contracts	8,428,138
Uncommitted Balance	\$11,630,933
Tax Increment Received	
Barrio Logan	\$0
Central Imperial	55,655
Centre City	16,862,415
City Heights	0
College Community	119,930
College Grove	77,108
Gateway Center West	202,347
Horton Plaza	4,563,541
Linda Vista	76,514
Market Street	185,210
Mount Hope	852,273
Naval Training Center	0
North Bay	0
North Park	0
San Ysidro	26,964
Southcrest	565,551
Total Tax Increment	\$23,587,508
Outstanding Indebtedness	
Barrio Logan	\$14,641,761
Central Imperial	9,363,913
Centre City	237,217,322
City Heights	24,572,477
College Community	1,020,501
College Grove	320,547
Gateway Center West	22,674,945
Horton Plaza	39,989,808
Linda Vista	4,632,033
Market Street	228,840
Mount Hope	24,971,498
Naval Training Center	969,253
North Bay	613,053
North Park	1,752,354
San Ysidro	1,435,118
Southcrest	16,755,652
Total Agency Debt	\$401,159,075

## FY 1999 Expenditures by Major Category

Category	Amount	% of Total
Debt Service	19,924,792	21%
Capital Projects	59,574,951	64%
Housing	6,011,591	6%
Tax Sharing	800,000	1%
Administration	7,491,064	8%
Total	\$93,802,398	100%



\*Detailed financial information is contained in the FY99 Annual Financial Report, the FY99 Redevelopment Agency Report to the State Controller, and the FY99 reporting schedules for the state Department of Housing and Community Development.

# B Project Area Barrio Logan



*Mercado del Barrio Commercial Project.*

The Barrio Logan Project Area was adopted in 1991 to eliminate and prevent the spread of blight and deterioration, and to conserve, rehabilitate and redevelop the area as a viable, mixed-use community with improved traffic circulation, new commercial development, increased job opportunities, and a balanced mix of new and rehabilitated housing stock. The project area is located within the Metro Enterprise Zone enabling business owners to receive tax credits for employing low-income residents. The project area is administered by the City Redevelopment Division.

During FY 1999, the Agency commenced negotiations with Land Grant Development for development of the 6-acre Mercado del Barrio Commercial Project, a neighborhood retail center to be built between Crosby Street, National Avenue, the Coronado-Bay Bridge and Main Street.

The Agency is proceeding with the Barrio Logan Expansion Survey Area. The expansion area includes an additional 497 acres of land under City jurisdiction and 195 acres of San Diego Port District tidelands. The expansion will focus on revitalizing the existing commercial areas, rehabilitating the housing stock, and reconfiguring mixed-use areas to separate heavy industrial facilities from residential properties.

## Major FY 2000 Goals

- Mercado Commercial Project Disposition and Development Agreement with LandGrant Development and groundbreaking on the project.
- Adoption of the Barrio Logan Expansion area.
- Work with the Project Area Committee and the Housing Commission on affordable housing goals in the area.
- Administer the Project Area Committee.

Efforts continued on the Barrio Logan Emerging Brownfields Pilot Project, funded by a grant from the U.S. Environmental Protection Agency. The goals of the project are to conduct site investigations on identified metal plating or chemical storage facilities, make recommendations on remediation alternatives, develop a financial incentive package for identified businesses, and pursue other grant opportunities to continue the remediation and/or relocation efforts. Sites of potential contamination have been identified, and preliminary investigations have been completed.

Other developments in Barrio Logan include the award-winning Mercado Apartments project, the first phase of the overall revitalization effort for Barrio Logan. This attractive 144- unit housing complex serves low-income families, and is the first major affordable housing complex to be built in Barrio Logan in more than 40 years.

The 133-acre Barrio Logan Project Area is bounded by 16<sup>th</sup> Street, Evans Street, the San Diego Port District boundary, and Interstate 5.

For information on the Barrio Logan Redevelopment Project Area, contact Ingrid Johnson, (619) 236-7305.

# C Project Area entral Imperial



*Groundbreakings have become a staple in Central Imperial.*

In the first part of 2000, Southeastern Economic Development Corporation (SEDC) will break ground on the new Imperial Marketplace, a 40-acre site featuring restaurants, financial institutions, and retail stores in a friendly, family-orientated setting anchored by Home Depot. The developer is Pacific Development Partners, LLC, whose past developments include Kaleidoscope in Mission Viejo, Niketown/Triangle Square in Costa Mesa, and Whole Foods Market in San Diego's Hillcrest neighborhood.

In Lincoln Park, across from Lincoln High School, Evergreen Village has completed construction on Phase I that includes 16 homes with a selling price of \$160,000 each. Nearby is the first mini-market in the area with a condition that prohibits the sale of alcohol. This is part of an Owner Participation Agreement between the property owner and SEDC.

The Potter Tract, a 13-acre site along the trolley line, is where SEDC will build the Valencia Palms Business Park complete with the first full-service, modern postal facility in the southeastern community in some thirty years.

## Major FY 2000 Goals

- Complete \$10.5 million in public improvements for Imperial Marketplace.
- Begin construction of Home Depot at the new Imperial Marketplace.
- Complete construction of Evergreen Village homes.
- Begin construction of public improvements for the new Valencia Palms Business Park.
- Convey site in Valencia Palms Business Park to United States Postal Service.

The Central Imperial Redevelopment Project Area has been one of the major beneficiaries of SEDC's successful long range financial strategy. A number of properties in the area had taken major reductions in their tax assessments. SEDC deliberately dropped several of these properties out of the adopted area. Now the corporation's redevelopment efforts are beginning to take hold in Central Imperial. During FY 2000, the actual tax increment proceeds will double the projections for Central Imperial.

For information on the Central Imperial Project Area, call SEDC at (619) 527-7345.

# C Project Area Centre City



*Sixth Avenue and Market Street Parking Garage.*

Developing a master plan for downtown's already developed, yet troubled, urban community presented unique challenges. The 1,446-acre Centre City Redevelopment Project was adopted in 1992 by merging three of the four original downtown redevelopment projects (Marina, Columbia and Gaslamp Quarter) and adding the Expansion Sub Area (Little Italy, Cortez, Core and East Village), thus spreading redevelopment across the entire downtown area. The Centre City Redevelopment Project is administered on behalf of the Agency by the Centre City Development Corporation (CCDC).

Downtown's urban redevelopment is changing the City's image and position on the world stage. With sophisticated electronic communications infrastructure in place, the convention center ranked among the top three in the world, the proposed downtown ballpark district, and residential, commercial and retail growth exceeding expectations, downtown San Diego is effectively positioned for the high-tech information age upon us.

## Major FY 2000 Goals

- Fulfill CCDC's responsibilities to implement the voter-approved Ballpark District Memorandum of Understanding between the City of San Diego, CCDC and the San Diego Padres.
- Facilitate development of another 2,000 to 3,000 residential units throughout the redevelopment plan's seven neighborhoods.
- Construct first parking structure to implement the Downtown Comprehensive Parking Plan. Complete acquisition and development of parking lots on two additional sites near the Gaslamp Quarter.
- Complete installation of the Wayfinding Signage System throughout downtown.
- Install two sculptured art pieces in the King Promenade
- Implement Bay to Park Link project by completing agreements for commercial and residential developments along 12<sup>th</sup> Avenue, and identify funding for the replacement of two trolley stations.
- Facilitate hotel projects that would add 3,000 to 4,000 hotel rooms to downtown within three years.
- Complete construction of the India Street improvements in Little Italy and installation of the next phase of the East Village street lighting system.

While extensively wired for technology, each of downtown's neighborhoods is experiencing a combination of public/private developments designed to promote commerce, create jobs, increase residential opportunities and enhance the unique sense of character and history that already exists. Downtown is home to approximately 20,000 people, and the Centre City Community Plan estimates that residential and commercial development will accommodate 50,000 residents by 2025 and 150,000 jobs.

Improved economic conditions increased interest in downtown San Diego during FY 1999, and demand for residential and commercial space has steadily grown since. During the fiscal year, the Marina Request for Proposals resulted in plans for 1,150 residential units. The North Embarcadero



Visionary Plan was fashioned by five public agencies. The first units of the Little Italy Neighborhood Development block were completed and a contractor selected for India Street improvements. The rehabilitation of structures in the Gaslamp Quarter continued to add residential, office and retail to the historic district, and new street lights improved the view. Two pieces of art were commissioned for the King Promenade. A development agreement was reached for the rehabilitation of the historic El Cortez Hotel, paving the way for additional residential developments around it. The Santa Fe Depot Forecourt project was completed, greatly enhancing the entrance to the historic train station. Implementation of the \$150 million plan produced to revitalize the Core began with construction of the Courtyard by Marriott Hotel and the approval of agreements for Music Village and the three-building On-Broadway development that will include public parking. A catalyst for improvements in East Village was realized when the voters approved the Memorandum of Understanding for the Ballpark District.

At the beginning of FY 2000, CCDC identified 92 development projects in its redevelopment “pipeline,” most of which are projected for completion within the next 18 to 36 months. Homes, shops, work sites, restaurants, entertainment venues, parks, esplanades and public infrastructure improvements are all part of today’s efforts designed to meet growing regional needs of San Diego. Included are more than 2,500 new homes, up to 4,000 hotel rooms, and as much as one million square feet of retail/commercial space. An estimated

\$4 million in public infrastructure improvements are also underway, including public artwork, rehabilitation projects, and the construction of 2,000 parking spaces.

To learn more about downtown and the projects, visit the Downtown Information Center located at 225 Broadway. The status of current projects is available by calling (619) 235-2200 or by visiting CCDC’s web site at [www.ccdc.com](http://www.ccdc.com). Downtown residential walking tours and redevelopment bus tours are conducted on Saturdays free of charge. Reservations can be made by calling (619) 235-2222.



*Horizons Condominium Project.*

# C Project Area City Heights



*Weingart City Heights Branch Library*

The City Heights Project Area was adopted in 1992 to reduce physical blight, assist commercial development, improve housing, and deter crime in this multi-cultural and densely populated community. Administered by the City's Redevelopment Division, City Heights is the Agency's largest redevelopment project area with 1,962 acres.

Substantial progress has been made in moving forward the centerpiece of the City Heights redevelopment effort, the eight-block City Heights Urban Village Project. The Urban Village is an ambitious public/private partnership between the Redevelopment Agency, the City of San Diego and CityLink Investment Corporation. The first phase of the \$131 million Urban Village became reality in fiscal year 1996 with the completion of the Mid-City Police Substation and Community Gymnasium.

In FY 1999, phase two of the Urban Village was completed, providing the community with a community park and a 28,000-square-foot community center housing a 15,000-square-foot branch library, a community service center, and Head Start facility. Adjacent to the library is a multipurpose theater which is used as a site for arts and

## Major FY 2000 Goals

- Complete land acquisition, site assembly and construction of the retail component of the Urban Village.
- Approve Disposition and Development Agreement (DDA), complete property acquisition and start construction of the Regional Transportation Center project.
- Approve DDA, complete property acquisition and design for the Transwest Housing mixed use project.
- Complete second amendment to the City Heights Redevelopment Plan and the second Five Year Implementation Plan.

meetings. The recreation center includes a swimming pool, tennis courts, baseball and softball fields, a soccer/multipurpose field, tot swim and play areas, and open park space. The ballfields are used jointly with Rosa Parks Elementary School. Some of the 500 construction jobs created by this project were filled by community residents through a hiring hall established by the City Heights Community Development Corporation.

An important aspect of the master plan for the Urban Village was the conversion and widening of Wightman Street to a parking and pedestrian promenade between 43<sup>rd</sup> Street and Highland Avenue. The promenade provides a link between the park and the proposed retail center.

The completion of a 55,000-square-foot San Diego Community College Continuing Education Center at Wightman Street and Fairmount Avenue, adjacent to the police substation and community gymnasium, is scheduled for January 2000. It will provide the first permanent, publicly-owned adult education facility in Mid-City. The three-story center will have state-of-the-art classrooms, computers, and communications technology, serving more than 8,000 students per year.



The fourth phase of the Urban Village is a neighborhood retail center that will enhance the quality and quantity of commercial and retail services and create jobs within the community. Anchored by a major grocery store, the commercial center will provide a clean, safe, and convenient location where residents will have easy access to a variety of services.

A crucial adjunct to the Urban Village are two new schools that were financed and developed by the San Diego Unified School District: Rosa Parks Elementary School and Monroe Clark Middle School. These two state-of-the-art facilities significantly upgrade educational opportunities within the area. The City provided playground space for Rosa Parks School through a joint-use agreement.

During FY 1999, the Agency commenced negotiations for the Regional Transportation Center, located at the southeast corner of I-15 and El Cajon Boulevard. This project will provide a facility to demonstrate as well as sell and repair alternative fuel vehicles. The project will house an educational center for middle and high school student instruction as well as a certificate program for community college students.

Caltrans is nearing completion of Interstate 15 through City Heights. The City has worked extensively with the state and local community representatives to develop the innovative project design, which will include three new City parks, extensive public transit facilities, extensive landscaping both inside and outside the freeway right-of-way, several bridge decks with available public plaza space, bike lanes, parking lots and numerous improvements to surrounding local streets.

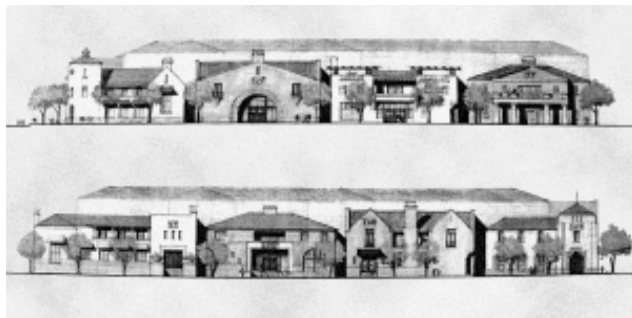
The Asia Business Center, a 31,724-square-foot mixed-use facility on El Cajon Boulevard, is currently under construction and is expected to be successfully completed during this fiscal year.

In other areas of the City Heights project area, new medians, trees and flowering shrubs, automatic irrigation, accent lighting and new traffic signals have been installed on various blocks of El Cajon Boulevard and University Avenue. The City worked in partnership with the El Cajon Boulevard Business Improvement Association in the formation of landscaping and lighting maintenance districts, which assess local properties to finance maintenance costs.

The boundaries of the project area extend in a triangle from Meade and Monroe Avenues on the north to I-805 on the west, and Home and Euclid avenues and 54<sup>th</sup> Street on the east.

For information on the City Heights Project Area, call James LoBue (619) 236-6012.

# C Project Area College Community



*San Diego State University Foundation Fraternity Housing*

The College Community Redevelopment Project was adopted in 1993 to provide student housing and related university support facilities to serve San Diego State University (SDSU), to mitigate traffic and parking problems in the area, and to construct needed public improvements for the community. The 131-acre project is administered by the City Redevelopment Division.

During FY 1999, construction commenced on SDSU Foundation's 66-unit Piedra Del Sol market-rate student housing project. The project will be ready for occupancy in the fall of 1999. The SDSU Foundation also commenced design of the SDSU Fraternity Project that will accommodate up to eight chapter houses. The 300,000 square foot mixed-use development in the eastern portion of the Core Sub-Area is still in the planning stage and will complete the design phase in FY 2000. The Foundation will commence community workshops on the mixed use projects in FY 2000, and begin economic feasibility and preliminary design work on the Religious Centers, Elder Hostel and Hotel Conference Center in FY 2000, as well.

## Major FY 2000 Goals

- Completion of the 66-unit Piedra Del Sol Residential Project.
- Enter into a development agreement with the SDSU Foundation for the Mixed Use Project; groundbreaking and construction of the mixed use project.
- Continue community workshops on the Religious Centers, Elder Hostel & Hotel/Conference projects.
- Approve the Second five-year Implementation Plan for the College Community Project.

A proposed location for the San Diego State University light rail transit (LRT) station has been approved by the Metropolitan Transit Development Board. The station (which is now fully funded) will be constructed just east of the current SDSU Transit Center with a "below grade" loop connecting to the Mission Valley East LRT line through the SDSU campus from its path along the south side of Interstate 8. Construction is planned to commence in the year 2000.

The College Community Project Area Committee continued to meet regularly throughout the year, focusing efforts on plans for the relocation of sororities, fraternities and religious organizations; and the SDSU Foundation's phase one development project.

For more information on the College Community Project Area, contact Ron Smith at (619) 236-6193.

# C Project Area College Grove



*College Grove Shopping Center, Home Base.*

The College Grove Redevelopment Project was adopted in 1986 to revitalize the aging College Grove Shopping Center by using tax increment revenue to finance street-related improvements around the shopping center for better traffic circulation. The project area, administered by the City Redevelopment Division, comprises the 56-acre shopping center on College Avenue and state Route 94, and 111 acres of City land, including Chollas Lake Park and Chollas Landfill.

Despite a \$20 million renovation of the shopping center in 1988, the lack of major anchor tenants and the general downturn in the economy of the late 1980s contributed to a decline in sales and tenants, and public improvements were put on hold. The shopping center's continued decline resulted in high vacancies and decreasing sales tax and property tax revenue. In 1998, the shopping center was sold, and the Agency entered into a development agreement with the new owners.

In FY 1999, construction began on the shopping center, transforming it into a big-box, value-oriented retail center. New

## Major FY 2000 Goals

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- Assist developers with project area issues.
- Explore opportunities for Low and Moderate Income Housing Fund.
- Explore development opportunities for the Chollas landfill site in conformance with the Redevelopment Plan and the Mid-City Community Plan.
- Explore opportunities for Low and Moderate Income Housing Fund.

development includes Wal-Mart, Sam's Club, Staples and Home Base. Current tenants Mervyn's, Longs and Coco's have remained. The City will lease a portion of the parking area for a Park and Ride facility adjacent to the transit center on College Grove Drive.

For more information about the College Grove Project Area, contact Maureen Ostrye at (619) 236-6436.

# D Study Area ells Imperial

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*Dells Imperial Study Area*

The Dells Imperial Study area is one of those seemingly intractable problems mentioned above. With its intense industrial zoning standing side-by-side with strong historical neighborhoods it remains one of the Southeastern Economic Development Corporation's bigger challenges.

SEDC's redevelopment objectives for the Dells Imperial Study Area are to preserve the historic character of the neighborhood, rehabilitate commercial and industrial property along Imperial Avenue and Commercial and Market streets, promote housing rehabilitation, and develop joint-use opportunities along the San Diego Trolley line.

The corporation will continue to work with area residents, fiscal consultants and others to explore viable financial options that will address the tremendous needs in this area.

For information on the Dells Imperial Study Area, call SEDC at (619) 527-7345.

# G Project Area Gateway Center West



*San Diego Gas & Electric is a major presence at Gateway Center West.*

## Major FY 2000 Goals

- Amend the Gateway Center West Redevelopment Project Area.
- Utilize the balance of bond proceeds to complete Phase I acquisition (2 acres).
- Distribute Request for Qualifications to secure a master developer.

Gateway Center West is a redevelopment plan adopted in 1976 encompassing primarily industrial uses. In an effort to provide additional redevelopment opportunities, the Southeastern Economic Development Corporation has utilized bond proceeds to acquire additional parcels for assembly as usable lots. It is SEDC's intent to retain existing businesses and to utilize the owner participation process to accomplish this goal.

SEDC is moving forward with the development of Lot 7, a prime site facing Market Street at the exit from Interstate 15. The corporation has a signed Disposition and Development Agreement in hand with construction scheduled for the spring in 2000.

For information on the Gateway Center West Project Area, call SEDC at (619) 527-7345.

# H Project Area Horton Plaza



*Horton Plaza.*

The objectives of this 15-block redevelopment project adopted in 1972 have, for the most part, been realized. Public/private partnerships produced 237 residential units, 452 hotel rooms, more than 2 million square feet of office and retail space, and an estimated 2,200 permanent jobs. Since its adoption, the project area's assessed valuation has increased 1,878 percent or \$352 million. The Horton Plaza Redevelopment Project is administered on behalf of the Agency by the Centre City Development Corporation (CCDC).

The nine-block Horton Plaza Retail/Entertainment Center, now 12 years old, provided an important catalyst for downtown, and assisted in attracting the type of development and financing necessary to redevelop surrounding areas. The Agency's investment in the project of \$33 million acquired land and constructed public improvements. Tax monies realized annually by the City and Agency exceeded that initial investment earlier than expected, and the Agency continues to participate in the cash flow from this financially successful development.

## Major FY 2000 Goals

- Issue Request for Proposals to attract a development for the rehabilitation of the Balboa Theatre building, an important downtown cultural resource.
- Identify development for the G Street side of Horton Plaza Retail/Entertainment Center.
- Create a design review committee to work with GSA on the expansion of the Federal Office and Courthouse Complex.
- Encourage and facilitate the conversion of the Paladion Retail Center for office, hotel or residential use.

Agency funds totaling \$7 million were invested to construct the Lyceum Theatre within Horton Plaza in shell space provided by the Hahn Company. Opened in 1986, these theaters are operated by the San Diego Repertory Theatre Company.

The Balboa Theatre building was re-roofed during this fiscal year, and environmental mitigation and structural work started in anticipation of rehabilitation efforts.

Other projects completed within this redevelopment area are the Paladion Retail Center, Westin Hotel, Meridian Condominium Tower, the Bristol Square office building and the Federal Building and Courthouse complex.

More information is available at CCDC's web site: [www.ccdc.com](http://www.ccdc.com). The Downtown Information Center, located at 225 Broadway, provides free walking and bus tours on Saturdays. Reservations can be made by calling (619) 235-2222.



# L

## Project Area

# Linda Vista



*Linda Vista Project Area.*

The Linda Vista Redevelopment Project was adopted in 1972 to facilitate the redevelopment of San Diego's oldest shopping center. The 11.6 acre project area, the Redevelopment Agency's smallest redevelopment project, is administered by the City's Redevelopment Division. The Linda Vista Shopping Center includes the Agency-owned Skateworld roller skating rink and the Linda Vista Branch Library, winner of many architectural design awards. The project area also contains Morley Strip, a small linear public park.

Land acquisition for the new Linda Vista Community Center has been delayed until remediation of the former gas station site is completed. The Agency has authorized the use of the Polanco Act to enable the highest and best use of the property. The parcel is located at Linda Vista Road and Comstock Street. Acquisition of the site will be completed in FY 2000 with design and construction to follow.

The project area's Low and Moderate Income Housing Fund is used for the Linda Vista First Time Home Buyer Program administered by the San Diego Housing

## Major FY 2000 Goals

- Land acquisition for the Linda Vista Community Center and commencement of design phase.
- Study the feasibility of acquiring additional property for the Linda Vista Community Center.
- Complete a facade loan, and renegotiate the lease for a major renovation of Skateworld.
- Complete the second phase of the Linda Vista First Time Home Buyer Program.

Commission. To date, nine loans have been provided, which depleted the first funding allocation for the program. The program provides eligible low-income families with up to \$20,000 as a silent second mortgage to buy a home in four Community Development Block Grant-eligible census tracts in the Linda Vista community near the project area. The Agency has authorized a second allocation from the Low and Moderate Income Housing Fund for FY 2000.

For more information about the Linda Vista Project Area, call Ron Smith at (619) 236-6193.



# M Project Area Market Street Industrial Park



*Market Street Industrial Park.*

The Market Street Industrial Park Redevelopment Project Area was adopted in 1976 to establish an environment for light industrial businesses that would provide employment opportunities for residents of the surrounding Southeast San Diego community. The 20-acre project area is administered by the City Redevelopment Division. The boundaries of the project area are 41<sup>st</sup> Street, the San Diego Trolley line right-of-way and Mount Hope Cemetery.

In FY 1999, Agency staff worked with business owners and managers to maximize benefits available to them through a state-designated Enterprise Zone and the Diamond Business Improvement District. The Agency continued to work with business owners and managers to improve landscape maintenance and general upkeep in the industrial park – a long-running problem in the past. In FY 1999, significant progress was made toward the goal of improving the overall appearance of the industrial park by the continuation of an agreement between the Market Street Industrial Park Association and a private contractor for the provision of landscape maintenance services.

The Market Street Industrial Park is located within the Metro Enterprise Zone that enables business owners to receive tax

## Major FY 2000 Goals

- Transfer balance of Low and Moderate Income Housing Funds to the Housing Commission to be applied to existing housing repair and rehabilitation program.
- Continue working with project area businesses to maintain and strengthen job creation for local residents.
- Secure new business at currently vacant 499 Raven Street property.

credits for employing low income residents. The Market Street Industrial Park Redevelopment Project is also in the Diamond Business Improvement District. As members of the district, the industrial park's businesses are entitled to participate in a facade improvement rebate program. Agency staff meets periodically with businesses in the industrial park to explain how the Enterprise Zone and business improvement district programs can be used together to achieve the maximum benefit.

In the area of housing, six very-low income home owners were able to rehabilitate their homes through the Mount Hope Rehabilitation Program. The Market Street Industrial Park has no residential property; therefore, a "finding of benefit" was adopted that permits the project area's Low and Moderate Income Housing Fund to be used for programs that benefit the adjacent area of Mount Hope. The Mount Hope Rehabilitation Program is a cooperative effort of the Redevelopment Division, Southeastern Economic Development Corporation, and the San Diego Housing Commission using Low and Moderate Income Housing funds from the Market Street and Mount Hope Redevelopment Projects and Community Development Block Grant funds from the Housing Commission. The Housing Commission administers the project. Since the program's inception in 1991, 66 homes have been rehabilitated or upgraded.

For more information on the Market Street Industrial Park Project Area, contact Ples Felix at (619) 236-7245.

# M Project Area Mount Hope



*Costco decides on an aggressive and unprecedented expansion plan in Gateway Center East.*

Mount Hope is currently the major source of tax increment within the Southeastern Economic Development Corporation Area of Influence. Home to SEDC's flagship industrial park, Gateway Center East, this area is awash in success stories.

For example, in the retail industry there is always the struggle to balance supply and demand. In a quest to achieve this balance, it is rare that a business would tear down an obsolete structure and rebuild on the same site. Factors that preclude such an approach include land constraints and decreased demand from a loss of customer base. Yet, tear down and rebuild on the same site is precisely what Costco has decided to do in Mount Hope. SEDC entered into an Owner Participation Agreement with the Price Company for the development of a new 135,000-square-foot facility. This represents a 60,000-square-foot expansion and is testimony to the value of southeastern San Diego as a place to do business while speaking volumes as to SEDC's corporate performance. According to Dennis Zook, executive vice president and chief operating officer of Costco, "From the perspective of

## Major FY 2000 Goals

- Demolition of two buildings located on the north and south side of Market Street as part of the corporation's Demonstration Block Project.
- Distribute Request for Proposal from developers interested in developing the first phase of the Market Street Demonstration Project.
- Identify funding for the installation of Phase II of the Mount Hope Public Improvement Project.
- Continue the housing rehabilitation program for Mount Hope residents.

the bottom line, the decision to expand in southeastern San Diego was a no-brainer. Our customers there are very supportive and the redevelopment effort has contributed to a strong business environment."

With SEDC's help the entire process – from tearing down the old structure to the grand opening of the store – will be accomplished in a remarkable nine months time. Costco's new outlet will open during the fourth quarter of 1999.

The Mount Hope redevelopment plan encourages the relocation of businesses from the Market Street Corridor into the Gateway Center East Business Park. This will be accomplished in 1999 when SEDC purchases a 20,000-square-foot building located within the park on behalf of a local nonprofit for its new corporate headquarters.

For information on the Mount Hope Project Area, call SEDC at (619)527-7345.

# N Project Area Naval Training Center



*Naval Training Center  
illustrated plan.*

The Naval Training Center (NTC) Project Area was adopted in April 1997 under special legislation written to address specific issues pertaining to military base reuse. NTC encompasses approximately 502 acres bordered by Rosecrans Street, Lytton Avenue, Nimitz Boulevard, the Marine Corps Recruit Depot, San Diego Bay, and Lindbergh Field.

In April 1997, all active military use of the base terminated under the Base Closure and Realignment Act of 1990. At that time, the base was turned over to the Southwest Field Division under “caretaker status” until the property is conveyed to the City, which is expected to occur in 2000. The City has entered into a master lease agreement with the Navy for the interim use of the property including subleasing portions to public and private groups.

According to California Redevelopment Law as applicable to base closures, the project was adopted before the environmental impact report (EIR) for it was prepared and certified. Work on the EIR was begun in FY 1999; certification is scheduled for February 2000.

In FY 1999, the City Council approved the Naval Training Center Reuse Plan and certified the Navy’s Environmental Impact Report/Environmental Impact Statement for the Disposal and Reuse of Certain Real Property at NTC San Diego. The Reuse Plan, developed by a 27-member citizen committee, provides the framework for development of a pedestrian-oriented neighborhood that includes residential,

## Major FY 2000 Goals

- Certify the EIR for the NTC Redevelopment Plan.
- Complete conveyance of NTC from the Navy to the City of San Diego.
- Execute Disposition and Development Agreement with the McMillin Company for the redevelopment and reuse of NTC.
- Process approvals for the NTC Specific Plan and amendments to the City’s General Plan, the Peninsula Community Plan and the Local Coastal Program.

working and educational environments; and retail, commercial and visitor uses, all complemented by park, recreation and civic areas along the waterfront. The Reuse Plan is the basis of the City’s contract with the Navy for the long-term, reuse of NTC. Negotiations with the Navy for conveyance of the property are scheduled to begin in late 1999 with property transfer completed in 2000.

New development on the site will include 350 units of market-rate housing, 380,000 square feet of office/research and development, and two hotels. Approximately 70 acres will be devoted to public park, open space and a golf course. All other development, more than 1 million square feet, will be rehabilitation and adaptive reuse of the 52 buildings within the historic core and the education core. On the Camp Nimitz section of NTC, land uses include a laboratory for the City’s Metropolitan Wastewater Department, a 25-acre Public Safety Training Institute, and 51-acre Lindbergh Field expansion area.

Recognizing that the City and Agency have limited resources to finance NTC redevelopment in an accelerated manner, the Agency, in FY 1999, entered into negotiations with a master developer who will be responsible for site clearance, construction and property management.

For more information, contact Marcela Escobar-Eck at (619) 446-5242, or visit the NTC web page in the Community section of the City’s web site ([www.ci.san-diego.ca.us](http://www.ci.san-diego.ca.us)).

# N

## Project Area North Bay



*North Bay Project Area.*

The North Bay Project Area was adopted in May 1998 to address the negative economic impact on surrounding communities caused by the closure of the Naval Training Center.

The project area covers approximately 1,400 acres and includes the area north of Laurel Street bounded by San Diego Bay, the Nimitz Boulevard/Rosecrans Street area, and Interstates 8 and 5. Within these boundaries are portions of the Midway Drive/Pacific Highway, Peninsula, Old Town, Uptown, Mission Valley, Linda Vista, and Clairemont Mesa planning areas. The North Bay Project Area Committee (PAC), meeting since November 1997, has now grown to 30 members. The City's Redevelopment Division administers the project area.

Current activities include administering the North Bay PAC, developing marketing materials for the project area, and monitoring and assisting development projects including a new Rite Aid store located along Rosecrans Street, a proposed development of Bayview Shopping Center at Clairemont Drive and Morena Boulevard,

## Major FY 2000 Goals

- Work with the San Diego Unified Port District on implementation of the America's Cup Harbor project.
- Work with companies, particularly those related to Space and Naval Warfare Systems Command, to locate within the project area.
- Obtain seed capital for redevelopment projects; consider and evaluate options for incurring long term debt for the project area.
- Administer the North Bay Project Area Committee.

working with the San Diego Unified Port District on the planning of America's Cup Harbor, and assisting with the redevelopment of the Sports Arena site. Also, the Agency will consider and evaluate options for incurring long-term debt for the project area.

For information on the North Bay Project Area, contact James Davies at (619) 236-6327.

# N

## Project Area North Park



*North Park Project Area.*

The North Park Project Area was adopted in March 1997 to eliminate and prevent the spread of blight and deterioration by improving, promoting and preserving the positive neighborhood characteristics of North Park while correcting physical and economic deficiencies. The project area boundaries are Adams Avenue on the north, Interstate 805 on the east, Landis and Wightman Streets on the south and Park Boulevard on the west. Two narrow extensions include Florida Street to Cypress Avenue and 30<sup>th</sup> Street to Thorn Street. The 555-acre project area is administered by the City's Redevelopment Division.

In FY 1998 the Agency initiated a request for proposal/qualification process for the North Park Theater, currently under City ownership, to select a qualified developer to take ownership of and renovate the theater property. The Agency and the City's Office of Small Business worked with the North Park Main Street Business Improvement Association and other North Park community interests in developing a marketing strategy for the theater. Numerous community meetings were held to ensure the community's vision for a redeveloped theater.

The property owners in North Park have reestablished the North Park Lighting and Landscape District, which finances the

## Major FY 2000 Goals

- Develop marketing and rehabilitation strategies for the project area.
- Execute development agreement for the North Park Theater.
- Administer Project Area Committee

maintenance of numerous public spaces and projects throughout the community including: streetscape improvements and landscaped medians on El Cajon Boulevard and University Avenue, the "North Park" and "Boulevard" community monument neon signs, and numerous street trees. The district also provides sidewalk steam- cleaning, public art maintenance, and the installation of street trees and lights.

In FY 1999, the North Park Gateway Project, a public art and landscaping project that provides an aesthetic entryway to the North Park community, was completed. The project is located on the edge of Interstate 805 at University Avenue. It was designed and managed by artist Anne Mudge and features sculptural pillar pergolas, intricately patterned paving, accent lighting, flowering vines and an automatic irrigation system.

On University Avenue between 30<sup>th</sup> and Ohio streets – the original North Park Revitalization Program Demonstration Block – deteriorated sidewalks were replaced with colored concrete, scoring and tile work to complement the nearby University Avenue streetscape project. City revitalization efforts will continue on El Cajon Boulevard with the installation of approximately 30 new street trees, 20 new decorative street lights and the continuing replacement of sidewalks.

The North Park Project Area Committee meets on a regular basis, taking an active role in the development of the marketing strategy for the theater, community outreach and project development and design activities.

For more information on North Park Project Area, contact Ples Felix at (619) 236-7245.



# S Project Area San Ysidro



*Proposed Bridges and Borders Project.*

The San Ysidro Redevelopment Project was adopted in 1996 to eliminate and prevent the spread of blight and deterioration by improving and preserving the positive neighborhood characteristics and improving and promoting the international gateway and commercial districts of San Ysidro. The 766-acre project area, administered by the City's Redevelopment Division, is located in the southernmost part of the City at the international border. Close to a quarter million people cross the border in San Ysidro daily, making it the busiest border crossing in the world.

In FY 1998, the Redevelopment Agency and City Council approved a disposition and development agreement with LandGrant Development for a comprehensive plan to develop the area surrounding the San Ysidro/Tijuana Port of Entry, one of the region's most promising assets. The plan is the \$192 million, 55-acre International Gateway of the Americas project that will bridge the U.S.-Mexico border and include approximately 1.4 million square feet of retail, office and hotel uses, with a cultural

## Major FY 2000 Goals

- Obtain authorization from the Binational Group for Bridges and Borders for the International Gateway to the Americas project.
- Obtain local discretionary and ministerial permits for the project.
- Pursue other development opportunities in the project area.

center, parking structure and pedestrian bridge. A large shopping and restaurant area would be accessible from both sides of the border through new customs and immigration points. The developer, with Agency and City staff, has been working with the City of Tijuana, federal, state and regional agencies on both sides of the border, and the San Ysidro community to further refine the plans, circulate the environmental documents and contact the property owners.

In early FY 1999, San Diego and Tijuana officials applied for a Presidential Permit for the plan from the Binational Group for Bridges and Borders, a commission of representatives from the U.S. State Department and their counterparts in Mexico.

For more information on the San Ysidro Project Area, contact Patricia Hightman at (619) 236-6207.

# S Project Area Southcrest

## Major FY 2000 Goals

- Begin construction of Phase II Southcrest Park Estates.
- Complete the construction of the west side of 39<sup>th</sup> Street.
- Convey 8.5 acres to the City of San Diego for development of the Father Brockhaus Park.
- Provide \$500,000 to the City of San Diego for construction of Phase I of the Father Brockhaus Park.



*New homes and new neighbors replace devastation in Southcrest.*

The 66-acre Southcrest Redevelopment Project Area is well on its way to full recovery. Formerly a site of major destruction by Caltrans during an attempt to build a freeway through this cohesive community, the neighborhood is now rebuilding rapidly. Thirty-three occupied homes are now firmly entrenched across the street from the Cesar Chavez elementary school and around the corner from the new and nearly full Southcrest Park Plaza. Meanwhile, the developer is currently securing entitlements and is scheduled to begin construction of 68 homes in the spring of FY 2000.

Boston Village, a project consisting of 12 new single-family homes, is completed and is sold out. In response to requests from local residents, the Southeastern Economic Development Corporation is currently in negotiations with the City of San Diego for a new public park in the area.

For information on the Southcrest Project Area, call SEDC at (619) 527-7345.